After completing this chapter, student should be able to understand:
1. Environmental scanning
2. Macroenvironment
3. Microenvironment
4. Responding to the marketing environment
Marketing Environment — consists of the actors and forces outside marketing that affect marketing management’s ability to develop and maintain successful relationships with its target customers.

Includes:
- **Microenvironment** - forces close to the company that affect its ability to serve its customers.
- **Macroenvironment** - larger societal forces that affect the whole microenvironment.
The Microenvironment

Company

Publics

Forces Affecting a Company’s Ability to Serve Its Customers

Competitors

Suppliers

Intermediaries

Customers
The Company’s Microenvironment

- **Company’s Internal Environment** - functional areas such as top management, finance, and manufacturing, etc.

- **Suppliers** - provide the resources needed to produce goods and services and are an important link in the “value delivery system”.

- **Marketing Intermediaries** - help the company to promote, sell, and distribute its goods to final buyers.
The Company’s Microenvironment

- **Customers** - five types of markets that purchase a company’s goods and services.

- **Competitors** - those who serve a target market with similar products and services against whom a company must gain strategic advantage.

- **Publics** - any group that perceives itself having an interest in a company’s ability to achieve its objectives.
The Macroenvironment

- Demographic
- Cultural
- Political
- Technological
- Economic
- Natural

Forces that Shape Opportunities and Pose Threats to a Company
The Company’s Macroenvironment

- **Demographic** - studies populations in terms of age, gender, race, occupation, location and other statistics.

- **Economic** - factors that affect consumer purchasing power and spending patterns.

- **Natural** - natural resources needed as inputs by marketers or that are affected by marketing activities.
Economic Environment

Economic Development
Changes in Income

Key Economic Concerns for Marketers

Changing Consumer Spending Patterns
Environment

Factors Affecting the Natural Environment

- Shortages of Raw Materials
- Increased Pollution
- Governmental Intervention
The Company’s Macroenvironment

- **Technological** - forces that create new technologies, creating new product and market opportunities.

- **Political** - laws, agencies and groups that influence and limit organizations and individuals in a given society.

- **Cultural** - institutions and other forces that affect a society’s basic values, perceptions, preferences, and behaviors.
Technological Environment

- Rapid Pace of Change
- Unlimited Opportunities
- Increased Regulation
- Practical, Affordable Products

Issues in the Technological Environment
Some Trends in the Political Environment Include:

- Increasing Legislation Designed to Protect Groups
- Changing Government Agency Enforcement
- Increasing Emphasis on Ethics and Socially Responsible Actions